

REGISTERED NUMBER: OC384792 (England and Wales)

**Report of the Members and
Financial Statements for the Year Ended 31 December 2018
for
IP Venture Fund II (GP) LLP**

FRIDAY



L8EWXHXF

L12

27/09/2019

#49

COMPANIES HOUSE

**Contents of the Financial Statements
for the Year Ended 31 December 2018**

	Page
General Information	1
Report of the Members	2
Report of the Independent Auditors	4
Income Statement	6
Balance Sheet	7
Reconciliation of Members' Interests	8
Notes to the Financial Statements	10

IP Venture Fund II (GP) LLP

**General Information
for the Year Ended 31 December 2018**

DESIGNATED MEMBERS: G Smith
Top Technology Ventures Limited trading as IP Capital

REGISTERED OFFICE: The Walbrook Building
25 Walbrook
London
EC4N 8AF

REGISTERED NUMBER: OC384792 (England and Wales)

INDEPENDENT AUDITORS: KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL

IP Venture Fund II (GP) LLP (Registered number: OC384792)

Report of the Members for the Year Ended 31 December 2018

The members present their report with the financial statements of the LLP for the year ended 31 December 2018.

PRINCIPAL ACTIVITY

The principal activity of the LLP in the year under review was that of management of IP Venture Fund II LP ("IPVFII"), a venture capital limited partnership. The LLP has assigned the management of IPVFII to a designated member, Top Technology Ventures Limited ("TTV"). The operations of the LLP and IPVFII are solely based in the United Kingdom.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DESIGNATED MEMBERS

The designated members during the year under review were:

G Smith
Top Technology Ventures Limited trading as IP Capital

RESULTS FOR THE YEAR AND ALLOCATION TO MEMBERS

The loss for the year before members' remuneration and profit shares was £1,933 (2017 - £2,788 loss).

MEMBERS' INTERESTS

The members may make such capital contribution to the LLP as they agree but are not obliged to and may contribute capital through services or other forms of non-cash contributions. Net Profits and Net Losses shall be allocated and distributed in proportion to each member's economic interest in the LLP which is determined by the designated members. The LLP's drawing policy allows each member to draw upon their profit share subject to the cash requirements of the LLP.

Members' capital is only repaid at the discretion of the designated members and can be withheld indefinitely. In accordance with IAS32, members' capital is categorised as equity.

GOING CONCERN

The members have therefore assessed that the going concern status of the LLP is still appropriate and, as such, the financial statements have been prepared on this basis.

STATEMENT OF MEMBERS' RESPONSIBILITIES IN RESPECT OF THE REPORT OF THE MEMBERS REPORT AND THE FINANCIAL STATEMENTS

The members are responsible for preparing the Report of the Members and the financial statements in accordance with applicable law and regulations.

The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 require the members to prepare financial statements for each financial year. Under that law the members have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

Under Regulation 8 of the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 the members must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the LLP and of its profit or loss for that period. In preparing these financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- assess the LLP's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the LLP or to cease operations, or have no realistic alternative but to do so.

Under Regulation 6 of the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008, the members are responsible for keeping adequate accounting records that are sufficient to show and explain the LLP's transactions and disclose with reasonable accuracy at any time the financial position of the LLP and enable them to ensure that its financial statements comply with those regulations. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the LLP and to prevent and detect fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the members are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the LLP's auditors are unaware, and each member has taken all the steps that he ought to have taken as a member in order to make himself aware of any relevant audit information and to establish that the LLP's auditors are aware of that information.

IP Venture Fund II (GP) LLP (Registered number: OC384792)

Report of the Members
for the Year Ended 31 December 2018

AUDITORS

The auditor KPMG LLP is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

ON BEHALF OF THE MEMBERS:



.....
G Smith - Designated member

Date: 26/09/19

Report of the Independent Auditors to the Members of IP Venture Fund II (GP) LLP

Opinion

We have audited the financial statements of IP Venture Fund II (GP) LLP ("the LLP") for the year ended 31 December 2018 which comprise the Income Statement, Balance Sheet, Reconciliation of Members' Interests and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view, of the state of affairs of the LLP as at 31 December 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the LLP in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

The impact of uncertainties due to Britain exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the LLP's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the LLP's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company or partnership and this is particularly the case in relation to Brexit.

Going concern

The members have prepared the financial statements on the going concern basis as they do not intend to liquidate the LLP or to cease its operations, and as they have concluded that the LLP's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the members' conclusions, we considered the inherent risks to the LLP's business model, including the impact of Brexit, and analysed how those risks might affect the LLP's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the LLP will continue in operation.

Other information

The members are responsible for the other information, which comprises the information in the Report of the Members. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work, we have not identified material misstatements in the other information.

Matters on which we are required to report by exception

Under the Companies Act 2006 as applied to limited liability partnerships we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit
- the members were not entitled to prepare financial statements in accordance with the small limited liability partnerships' regime.

We have nothing to report in these respects.

**Report of the Independent Auditors to the Members of
IP Venture Fund II (GP) LLP**

Members' responsibilities

As explained more fully in their statement set out on page 2, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the LLP's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the LLP or to cease operations, or have no realistic alternative but to do so.

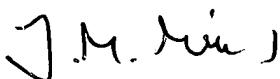
Auditors' responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the members of the LLP, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, as required by Regulation 39 of the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the LLP's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the LLP and the LLP's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Jonathan Mills (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL

Date: 26 SEPTEMBER 2019

IP Venture Fund II (GP) LLP (Registered number: OC384792)

**Income Statement
for the Year Ended 31 December 2018**

	Notes	2018 £	2017 £
TURNOVER		607,622	607,622
Administrative expenses		<u>(609,555)</u>	<u>(610,410)</u>
OPERATING LOSS and LOSS FOR THE FINANCIAL YEAR BEFORE MEMBERS' REMUNERATION AND PROFIT SHARES AVAILABLE FOR DISCRETIONARY DIVISION AMONG MEMBERS		<u>(1,933)</u>	<u>(2,788)</u>


IP Venture Fund II (GP) LLP (Registered number: OC384792)

**Balance Sheet
31 December 2018**

	Notes	2018 £	2017 £
DEBTORS: amounts falling due after more than one year	3	1,355,854	748,232
CREDITORS			
Amounts falling due within one year	4	<u>1,913</u>	<u>1,868</u>
NET CURRENT ASSETS		<u>1,353,941</u>	<u>746,364</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
and			
NET ASSETS ATTRIBUTABLE TO MEMBERS		<u>1,353,941</u>	<u>746,364</u>
LOANS AND OTHER DEBTS DUE TO MEMBERS	5	1,369,502	759,992
MEMBERS' OTHER INTERESTS			
Capital accounts		100	100
Other reserves		<u>(15,661)</u>	<u>(13,728)</u>
		<u>1,353,941</u>	<u>746,364</u>
TOTAL MEMBERS' INTERESTS			
Loans and other debts due to members	5	1,369,502	759,992
Members' other interests		<u>(15,561)</u>	<u>(13,628)</u>
		<u>1,353,941</u>	<u>746,364</u>

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 as applied to LLPs by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 relating to small LLPs.

The financial statements were approved by the members of the LLP on 26/09/19 and were signed by:


.....
G Smith - Designated member

**Reconciliation of Members' Interests
for the Year Ended 31 December 2018**

	EQUITY		
	Members' other interests		
	Members' capital (classified as equity) £	Other reserves £	Total £
Balance at 1 January 2018	100	(13,728)	(13,628)
Loss for the financial year available for discretionary division among members	-	(1,933)	(1,933)
Members' interests after loss for the year	100	(15,661)	(15,561)
Introduced by members	-	-	-
Balance at 31 December 2018	<u>100</u>	<u>(15,661)</u>	<u>(15,561)</u>

	DEBT	TOTAL MEMBERS' INTERESTS
	Loans and other debts due to members less any amounts due from members in debtors	
	Other amounts £	Total £
Amount due to members	759,992	
Amount due from members	-	
Balance at 1 January 2018	759,992	746,364
Loss for the financial year available for discretionary division among members	-	(1,933)
Members' interests after loss for the year	759,992	744,431
Introduced by members	<u>609,510</u>	<u>609,510</u>
Amount due to members	1,369,502	
Amount due from members	-	
Balance at 31 December 2018	<u>1,369,502</u>	<u>1,353,941</u>

**Reconciliation of Members' Interests
for the Year Ended 31 December 2018**

	EQUITY		
	Members' other interests		
	Members' capital (classified as equity)	Other reserves	Total
	£	£	£
Balance at 1 January 2017	100	(10,940)	(10,840)
Loss for the financial year available for discretionary division among members	-	(2,788)	(2,788)
Members' interests after loss for the year	100	(13,728)	(13,628)
Introduced by members	-	-	-
Balance at 31 December 2017	<u>100</u>	<u>(13,728)</u>	<u>(13,628)</u>

	DEBT	TOTAL MEMBERS' INTERESTS
	Loans and other debts due to members less any amounts due from members in debtors	
	Other amounts	Total
	£	£
Amount due to members	149,630	
Amount due from members	-	
Balance at 1 January 2017	149,630	138,790
Loss for the financial year available for discretionary division among members	-	(2,788)
Members' interests after loss for the year	149,630	136,002
Introduced by members	<u>610,362</u>	<u>610,362</u>
Amount due to members	759,992	
Amount due from members	-	
Balance at 31 December 2017	<u>759,992</u>	<u>746,364</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2018

1. **STATUTORY INFORMATION**

IP Venture Fund II (GP) LLP is registered in England and Wales. The LLP's registered number and registered office address can be found on the General Information page.

2. **ACCOUNTING POLICIES**

Basis of preparing the financial statements

The financial statements have been prepared on the going concern basis and in accordance with applicable accounting standards and in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"), the Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008, the Large and Medium Sized LLP (Accounts) Regulations 2008 and the Statement of Recommended Practice "Accounting by Limited Liability Partnerships" ("LLP SORP") issued in March 2010. The amendments to FRS 101 issued in December 2016 and effective immediately have been applied.

In preparing these financial statements, the LLP applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In these financial statements, the LLP has applied the exemptions available under FRS 101 in respect of the following disclosures: a Cash Flow Statement and related notes; disclosures in respect of capital management; the effects of new but not yet effective IFRSs; and disclosures of transactions with a management entity that provides key management personnel services to the LLP.

The LLP proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Turnover reflects the amounts receivable by the LLP, as a first charge on IPVFII profits, for its services as general partner to IPVFII.

Taxation

No provision has been made for taxation in relation to the LLP's profit or loss in the financial statements. Each member is exclusively liable for any tax liabilities arising out of their interest in the LLP. Tax is assessed on the individual members and not on the LLP.

Going concern

The members have therefore assessed that the going concern status of the LLP is still appropriate and, as such, the financial statements have been prepared on this basis.

Members' participation rights

Members' participation rights are the rights of a member that arise under the members' agreement.

Members' participation rights in the earnings and assets of the LLP are analysed between those that are, from the LLP's perspective, either a financial liability or equity, in accordance with IAS32 Financial Instruments Presentation and UITF Abstract 39 Members' share in co-operative entities and similar instruments. A member's participation right results in a liability unless the right of any payment is discretionary on the part of the General Partner.

Amounts subscribed or otherwise contributed by members are classified as equity as any repayment is at the discretion of the designated members.

Profits or losses are divided only after a decision by the designated members and so such profits or losses as classed as an appropriation of equity rather than as an expense. They are therefore shown as a residual amount available for discretionary division among members in the profit and loss account and equity appropriations in the balance sheet.

3. **DEBTORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2018	2017
	£	£
Amounts owed by group undertakings	<u>1,355,854</u>	<u>748,232</u>

IP Venture Fund II (GP) LLP (Registered number: OC384792)

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2018**

3. DEBTORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR - continued

Amounts owed by members are unsecured, interest free and repayable on demand. Balances due from limited partnerships represent priority profit share unpaid at the balance sheet date.

4. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£	£
Other creditors	<u>1,913</u>	<u>1,868</u>

5. LOANS AND OTHER DEBTS DUE TO MEMBERS

Amounts due to members reflects amounts due to TTV, a member, for unpaid management fees payable and for audit and tax fees settled on behalf of the LLP by TTV at the end of the reporting period.

6. RELATED PARTY DISCLOSURES

IPVFII's partnership agreement provides that the LLP shall act as general partner of IPVFII and is entitled to a General Partner's Share as described in note 2. The LLP has assigned its management of IPVFII to TTV for a fee equal to that of the General Partner's Share receivable from IPVFII.

During the year ended 31 December 2018, £607,622 (2017: £607,622) was receivable from IPVFII comprising the General Partner's Share and the same amount was payable to TTV during the period.

As at 31 December 2018, £100 remains due from TTV, a member, to the LLP for its initial members' capital contribution and £1,369,602 remains due to TTV for management fees and the net amount of £1,369,502 due to members is reflected in these financial statements.

7. SUBSEQUENT EVENTS

There have been no significant events subsequent to the period end.

8. IMMEDIATE AND ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The designated member, Top Technology Ventures Limited, has economic interests amounting to 99.99% of the LLP, and has control of the operations. Consequently, TTV is the controlling party. The ultimate parent of both TTV and the LLP is IP Group plc. The results of the LLP are consolidated in the group accounts of the ultimate parent company's financial statements. The immediate and ultimate parent companies were incorporated in the United Kingdom. Copies of the ultimate parent company's financial statements may be obtained from the Secretary of IP Group plc, The Walbrook Building, 25 Walbrook, London, EC4N 8AF.